Cost overruns due to delay in central projects

*67. SHRI VIJAY J. DARDA:
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether cost overruns amounting to Rs. 48,483.68 crores have been recorded in respect of the total number of 742 Central schemes that were delayed until March, 2006, while multi-State projects have emerged as the most problematic to implement;

(b) whether as per 250th flash report of the Union Ministry for Central sector projects, only four projects out of 475 under implementation are ahead of the original schedule and 58 mega projects of Rs. 1,000 crore and 338 medium schemes (Rs. 20 crore-100 crore) are on the delayed list effective March, 2006; and

(c) the steps Government propose to reduce delay in all the projects?

THE MINISTER OF STATE OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI G.K. VASAN): (a) As per the Quarterly Project Implementation Status Report for central sector projects costing Rs. 20 crores and above, for the quarter ending March, 2006, the overall cost overrun was Rs. 48,483.68 crore in 742 projects monitored by this Ministry. Of these 742 projects, 81 are multi-state projects which account for 12.1 per cent of the total anticipated cost of 742 projects of Rs. 3,27,564 crore. The cost overrun in case of 81 multi-state project was Rs. 7,736.87 crore which is about 16 per cent of the overall cost overrun of Rs. 48,483.68 crore. Multi-state projects have similar problems as those executed in one location such as land acquisition, delay in obtaining clearance from various agencies, law and order problems, fund constraints, etc.

(b) As per the 250th Flash Report issued by the Ministry of Statistics and Programme Implementation, out of 742 projects 4 were ahead of the original schedule. As on March, 2006, out of 58 mega projects costing Rs. 1000 crore, 20 projects were delayed and out of 338 medium projects costing between Rs.20 crore to 100 crore, 112 projects were delayed.

(c) This Ministry analyses the data provided by the project authorities and conveys to the concerned Ministries/Departments the various shortcomings for corrective action on their part. The actions suggested to various Ministries and project authorities to ensure timely completion of these projects are as follows:-

(i) strict appraisal of projects before investment approval;

(ii) taking up projects for implementation only after funds have been fully tied up;

(iii) in-depth review of projects on monthly and quarterly basis by the Government;

(iv) follow-up with the State Governments in respect of problems relating to land acquisition, rehabilitation related issues, law and order at project sites, etc.

(v) appointment of nodal officers for each project with continuity of tenure, till the gestation period of the project; and

(vi) ensure adequate infrastructure on site in the case of Hydro Electric Projects, Industrial units, etc.

Fiscal incentives for housing sector

*68. SHRI KALRAJ MISHRA:
SHRI SANTOSH BAGRODIA:

Will the Minister of HOUSING AND URBAN POVERTY ALLEVIATION be pleased to state:

(a) the fiscal incentives given to the housing sector in the country;

(b) whether Government give special incentives for the housing for economically weaker sections;

(c) if so, the details thereof;

(d) whether Government agree with the findings of the recent report of the National Building Organisation that most of the incentives are being cornered by high-income groups; and

(e) the steps that are being taken by Government for the equitable distributing of the benefits of such incentives?

THE MINISTER OF STATE OF THE MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION (KUMARI SELJA): (a) Several fiscal incentives in the form of Tax concessions under the Income Tax Act, 1961 have been provided towards the repayment of the loans taken for construction of houses. Government has further permitted 100% Foreign Direct Investment (FDI) in the sectors of Housing and Urban Infrastructure under the automatic route to liberalize the housing sector.

(b) and (c) Yes, Sir. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) scheme launched by the Government in the year 2005 caters for provisions of housing and basic services to urban poor in 63 specified cities and also for non-specified cities. Apart from this, a provision of Rs.30 crores has been made in the current financial year 2007-08 to provide interest subsidy scheme for loans to Economically Weaker Sections (EWS) and Lower Income Group (LIG) categories of people for housing.

(d) and (e) National Building Organization (NBO) has reported that it has not given any findings regarding most of the incentives being cornered by High Income Groups (HIG). In the context, it may be mentioned that the benefits of various fiscal concessions are meant for all sections of the Society. To give boost to the Housing Sector Government has also launched specific schemes of Housing & Infrastructure like the Integrated Housing and Slum Development Programme (IHSDP) and Basic Services to the Urban Poor (BSUP) under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for providing shelter and basic services and other related civic amenities to urban poor.